

Message Text

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R 121729Z SEP 74

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TO SECSTATE WASHDC 2263

INFO AMEMBASSY BONN

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E.O. 11652: N/A

TAGS: PFOR, FR

SUBJECT: TRADE UNIONS AND "RENTREE"

1. SUMMARY. STATEMENTS BY FRENCH LABOR LEADERS AT OPENING OF NEW POLITICAL SEASON (LA RENTREE) STRESS MODERATION, WITH MAIN ACTION EMPHASIS ON NEGOTIATIONS WITH GOVERNMENT AND MANAGEMENT TO MEET WORKERS' DEMANDS. MODERATION REFLECTS ATTITUDE OF RANK AND FILE WHO HAVE NOT YET SUFFERED LOSSES IN REAL INCOME DESPITE DIFFICULT ECONOMIC SITUATION, AND WHO ARE THEREFORE NOT IN MOOD FOR MORE MILITANT ACTION. IN ADDITION, UNION LEADERS, ESPECIALLY THOSE WHO SUPPORT THE UNITED LEFT, DO NOT WISH TO BE ACCUSED OF CONTRIBUTING TO FRANCE'S ECONOMIC DIFFICULTIES. LABOR'S MODERATION COULD CHANGE OVERNIGHT, HOWEVER, IF GOVERNMENT UNABLE TO DAMPEN INFLATION AND PREVENT MAJOR UNEMPLOYMENT, AND FRENCH WORKERS BEGIN TO FEEL

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THE PINCH. END SUMMARY.

2. FAITHFUL TO TRADITION, FRANCE'S LABOR LEADERS HAVE RETURNED FROM SUMMER VACATION WITH WELL PREPARED MEETINGS AND SPEECHES TO OPEN THE NEW SOCIAL/POLITICAL YEAR (LA RENTREE). AS IN PREVIOUS YEARS, SEASON WAS OPENED BY CGT SECRETARY GENERAL GEORGES SEGUY WHO SPOKE TO CGT MEMBERS IN PARIS ON SEPTEMBER 5. HIS MESSAGE WAS RELATIVELY SIMPLE: NEGOTIATIONS WITH MANAGEMENT (CNP) AND THE GOF ARE THE CGT'S PRINCIPAL DEMAND FOR THE IMMEDIATE FUTURE. HE DISMISSED SPECULATION ABOUT MORE MILITANT CGT PLANNING BY SAYING IT IS "ABSURD TO AFFIRM THAT BECAUSE OF DISAPPOINTMENT AT THE RECENT ELECTIONS, OR ACTING OUT OF SPITE, WE WOULD YIELD TO AN ATTITUDE OF SYSTEMATIC OBSTRUCTION AND COMPLETE BOYCOTT IN ORDER TO FOCUS ON POLITICAL REVENGE TO THE DETRIMENT OF WORKERS' INTERESTS."

3. SEGUY BALANCED HIS MODERATE APPROACH WITH HEAVY CRITICISM OF GISCARD AND HIS FIRST 100 DAYS IN OFFICE. HE CHARACTERIZED REFORMS ALREADY ENACTED AS WORTH-WHILE BUT LONG OVERDUE. REFORMS THAT ARE IN PLANNING STAGE WERE CALLED NOTHING MORE THAN PALLIATIVES DESIGNED TO BETTER PROTECT BIG BUSINESS INTERESTS.

4. CGT DEMANDS: SEGUY'S SHOPPING LIST GAVE OVER-WHELMING PRIORITY TO QUALITATIVE DEMANDS WHICH REFLECT HIS CAUTION TO AVOID ANY IMPLICATION CGT IS SEEKING TO POUR OIL ON FLAMES OF INFLATION. MOST SIGNIFICANT DEMAND IN THIS RESPECT IS THAT BOTH SALARIES AND PENSIONS BE INDEXED TO COST OF LIVING. THIS CONTRASTS WITH BOTH CFDT AND FO VIEW THAT INDEXING WOULD SLOW DOWN RATHER THAN INCREASE GROWTH OF REAL WAGES. STATISTICS FOR FIRST HALF OF 1974 TEND TO SUPPORT LATTER CONTENTION SINCE REAL WAGES HAVE GONE UP 2.7 PERCENT DESPITE ANNUAL INFLATION RATE OF 17 PERCENT DURING SAME PERIOD.

5. REFORM OF CORPORATE STRUCTURE: SEGUY RESERVED LIMITED OFFICIAL USE

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MORE SARCASTIC AND IDEOLOGICAL CRITICISM FOR "SUDREAU COMMISSION" WHICH WILL MAKE RECOMMENDATIONS BY DECEMBER 31 ON HOW TO INCREASE WORKERS' ROLE AND STATUS IN BUSINESS ENTERPRISES. SEGUY REPEATED BASIC THEME OF COMMUNIST PROPAGANDA THAT THIS EXERCISE IS MERELY SMOKE SCREEN DESIGNED TO HIDE FACT THAT GISCARD UNABLE TO ACT AGAINST BIG BUSINESS INTERESTS TO WHOM HE OWES ELECTION.

6. LABOR UNITY OF ACTION: SEGUY TOOK PRIDE IN CGT'S COMMITMENT TO LABOR UNITY IN GENERAL AND UNITY OF ACTION AGREEMENTS WITH CFDT AND OCCASIONALLY FEN (NATIONAL EDUCATION). HE CALLED THE AGREEMENTS NOT "SENTIMENTAL ACTIONS", BUT REALISTIC STEPS TO INCREASE UNION EFFECTIVENESS. HE STRESSED, HOWEVER, THAT CGT-CFDT DIFFERENCES PERSIST, AND THAT CGT RANK AND FILE STILL RESIST CFDT ALLIANCE. AS FAR

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AS FO IS CONCERNED, SEGUY SAID ONLY TOP FO LEADERS OPPOSE UNITY OF ACTION WITH CGT BECAUSE OF NARROW PARTISAN POLITICAL REASONS AND THIS "SITUATION CANNOT LAST FOREVER."

7. CFDT TONES DOWN RHETORIC: FOLLOWING CFDT NATIONAL CCUNCIL MEETING SEPTEMBER 5, SECGEN EDMOND MAIRE GAVE PRESS CONFERENCE WHICH WAS REMARKABLE BY ITS LACK OF MENACING WORDS ABOUT TRADE UNION ACTION. NEVERTHELESS, HE CRITICIZED GOVERNMENT FOR TENDENCY TO CONCENTRATE ALL POLITICAL AUTHORITY IN ELYSEE, DESCRIBING IT AS AUTHORITARIAN REGIME. NOTWITHSTANDING APPARENT LIBERAL APPROACH TO PRIVATE BUSINESS AND EVERYDAY LIFE. ACCORDING TO CFDT, GOF'S LIBERALIZED PROGRAM IS AIMED AT THE "PETITE BOURGEOISIE" (LOWER MIDDLE CLASS) WHICH HAS REMAINED MOST CONSERVATIVE AND LIMITED OFFICIAL USE

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BACKWARD ELEMENT OF FRENCH SOCIETY. CONSEQUENTLY, CFDT HAS LITTLE FAITH IN GOF PRONOUNCEMENTS CONCERNING THE WORKING CLASS.

8. FO'S POSITION ON CURRENT PROBLEMS IS EXPECTED LATER, BUT IT CAN BE ASSUMED THAT FO WILL REITERATE ITS COMMITMENT TO COLLECTIVE BARGAINING. AT SAME TIME, FO MAY WELL OUTDO CFDT AND CGT IN CRITICIZING GOF PRIMARILY ON GROUNDS THAT THE ANTI-INFLATION MEASURES TAKEN TO DATE ARE GROSSLY INADEQUATE.

9. COMMENT: LABOR'S MODERATE TONE AT PRESENT TIME REFLECTS REALISTIC ASSESSMENT OF FRANCE'S POLITICAL FORCES AND SERIOUSNESS OF ITS ECONOMIC PROBLEMS. FOLLOWING FACTORS ARE KEY ELEMENTS IN THIS ASSESSMENT:

A. UNCERTAINTY ABOUT THE FUTURE AND FEAR OF UNEMPLOYMENT IF INFLATION IS NOT BROUGHT UNDER CONTROL ARE DOMINANT SENTIMENT AMONG RANK AND FILE. LEADERS KNOW THIS STATE OF MIND IS NOT CONDUCTIVE TO MILITANT ACTION.

B. LABOR LEADERS IN CGT AND CFDT WHO SUPPORTED UNITED LEFT SEE POLITICAL ADVANTAGES IN PREVENTING ANY POSSIBLE ACCUSATIONS THAT THEY ARE CONTRIBUTING TO FRANCE'S ECONOMIC PROBLEMS. UNITED LEFT'S SHORTFALL OF ONE-HALF PERCENTAGE POINT IN PRESIDENTIAL ELECTION IS INDUCEMENT TO MODERATION RATHER THAN AGITATION.

C. LEFT WOULD PREFER NOT TAKE POWER UNDER CRITICAL ECONOMIC SITUATION BECAUSE OF HISTORICAL LESSON THAT UNPOPULAR MEASURES REQUIRED UNDER SUCH CONDITIONS SHORTEN LIFE EXPECTANCY OF GOVERNMENTS IMPOSING SUCH MEASURES.

D. EMPHASIS ON NEGOTIATIONS PLACES SEGUY IN POSITION TO CLAIM VICTORY IF, AS HE MUST SENSE, GOF IS

INTERESTED IN NEGOTIATING WITH ORGANIZED LABOR
MEASURES TO CURB INFLATION.

10. OBVIOUSLY, LABOR'S MODERATION AT BEGINNING OF
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SEPTEMBER IS NO REASON FOR COMPLACENCY WITHIN GOF
AND CNPF. FAILURE TO REACH SATISFACTORY SOLUTIONS
TO ONGOING NEGOTIATIONS ABOUT JOB SECURITY AND
WORKING CONDITIONS, AND ABOVE ALL GOF FAILURE
TO BRING INFLATION UNDER CONTROL CAN CHANGE RANK AND
FILE ATTITUDES VERY RAPIDLY. IF UNCHECKED INFLATION
IS ACCOMPANIED BY SERIOUS JUMP IN UNEMPLOYMENT, SOCIAL
SITUATION COULD BECOME EXPLOSIVE.
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